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THROUGH THE LOOKING GLASS: WASHINGTON, DC

Editor's Preview: In Lewis Carroll's classic tale, a little girl discovers the topsy-turvy world of nonsensical and amusing characters on the other side of the looking glass. In these essays, a former federal agency director and a political journalist reveal the other side of Washington, DC.

Both presentations were originally delivered at our November CCA seminar on "The Consequences of Contemporary Political Leadership." Dr. Devine spoke again on the same theme at our February Shavano seminar in Palm Beach, Florida. Mr. Barnes will address a Traverse City, Michigan, Shavano seminar in August on the lawsuit crisis.



Donald J. Devine

For four years I was Ronald Reagan's chief bureaucrat. I was the director of the Office of Personnel Management (OPM) and I ran the U.S. civil service which is responsible for over 2,000,000 employees. I remember when Ronald Reagan first called me in to discuss the appointment. He said, "Don, I've got a job for you. I want you to cut government jobs. I want you to reduce overgenerous benefits. And I want you to make government employees work."

I said, "Thanks, I should make a lot of friends."

But, I decided to do it and we made some pretty substantial gains. We reduced non-defense civil employment by over 100,000 positions. We saved more than \$20 billion in benefits and we did institute performance standards to induce government employees to work more effectively. What was the result? *The Washington Post* ran

Fred Barnes

The fashionable view in Washington is that "the brightest and the best" are no longer attracted to politics, and that the quality of our leaders has suffered commensurately. Liberals moan that there simply aren't any Paul Douglasses in Washington now. Conservatives sigh about the absence of Robert Tafts. This is absurd. The intrinsic quality of our political leaders hasn't changed. But the forces that govern their conduct have, and the result is that real leadership seldom rears its head in our nation's capital anymore. Our political representatives share a deep apprehension about being out in front on any issue.

Bold political leadership is more commonly exhibited outside of Washington these days. The mayor of New York, Ed Koch, hardly the shy guy of American politics, is but one example. When campaigning for office in 1977, Koch was confronted by a heckler in the audience

my photograph on the cover of its weekly magazine with the headline: "Reagan's Terrible Swift Sword of the Civil Service." I was called "combative," the "Grinch in the Pinstripe Suit," and, my favorite: "the Rasputin of the Reduction-in-Force." (I always remembered, however, what Harry Truman used to say about doing a tough job in Washington, "If you need a friend in Washington, buy a dog.")

Washington is a very different world. In my opinion, there's no tougher place to exhibit leadership. Its inhabitants have confused priorities and no one seems to be able to keep straight the billions and trillions spent there. They are the people who truly believe in the late Senator Everett Dirksen's comment, "You spend a billion here, you spend a billion there, and pretty soon you're talking about real money." Only today, a billion is inflated to 10 billion. Too often, our government servants think only in terms of spending money, unconcerned about the negative effects of doing so. They do take care

who shouted "Bring back Lindsay!" The reference was to ex-Mayor John Lindsay, the man most responsible for bringing the city to the brink of economic collapse. Koch stopped his speech and asked for a show of hands from those in the audience who truly wanted Lindsay back. A number of hands shot up. "Dummies!" Koch shouted.

On another occasion, he told an elderly group in Brooklyn of a city judge who had been mugged but vowed that this would not affect his judicial decisions in any way. A little old lady at the back of the crowd cried "Then mug him again!" A Washington politician would probably be aghast; Koch was delighted. For every one of these light examples, there are many more serious ones which I needn't enumerate here.

"Bold political leadership is more commonly exhibited outside of Washington these days."

About the Authors



Donald J. Devine is the former director of one of the largest employers in the world: the U.S. Office of Personnel Management. Also a former professor of government and political science at the University of Maryland, he is the author of *The Attentive Public* (1968), *The Political Culture of the United States* (1972), *Does Freedom Work?* (1978), *Public Opinion and the Welfare State* (1981), and *Reagan Electionomics* (1983). Currently, Dr. Devine is a political consultant in Washington, DC.



Fred Barnes is a senior editor at *The New Republic* and familiar to many Americans for his appearances on television programs such as *C-Span*, *Capital Journal*, *Evans and Novak*, *Face the Nation*, *The McLoughlin Group*, *Washington Week in Review*, and as a panelist in the 1984 presidential debates. Mr. Barnes has been a reporter for a number of newspapers including the *Charleston News and Courier*, the *Washington Star*, and the *Baltimore Sun*. He has also written articles for publications such as *The American Spectator*, the *Los Angeles Times*, the *New York Times*, *Policy Review*, *Reader's Digest*, and the *Wall Street Journal*.

What is the best way to look at political leadership in Washington? I have four rules. **Rule One: Fear of political pain is the chief motivating force in Washington.** This rule applies to Robert Dole as much as it does Tip O'Neill. And the executive branch is equally susceptible. Ronald Reagan has shown bold leadership on several occasions, standing against the tide of elite and mass opinion. Everyone, including me, laughed at the Strategic Defense Initiative when Reagan first proposed it in 1983. No one's laughing now, least of all the Soviets. In Central America, Reagan bailed out El Salvador, despite the efforts of a host of domestic critics, and he has stood firmly against the Sandinistas in Nicaragua, whatever the opinion polls said. In 1981, he pushed a three-year tax cut through a hostile Congress. As few as 8 or 10 senators genuinely favored it, but 90 of them voted for it at Reagan's insistence.

There are great gaps, however, in the president's leadership. Reagan, like other politicians, is continually steering away from tough issues to avoid political pain. The federal deficit, for example, continues to grow chiefly because Reagan and Congress have done so little to curb government spending, now hovering around 23 percent of the GNP. Spending has climbed from \$678 billion in 1981 to \$945 billion in 1985, and the deficit has skyrocketed from \$79 billion to \$212 billion in the same period. One third of non-defense spending is devoted to Social Security—\$182 billion annually—but Reagan has done nothing to cut this expense. He hastily backed down on the issue when it was exploited by the Democrats in the 1982 congressional elections and by Walter Mondale in 1984. In 1986, Democrats had their bumper stickers ready more than a year ahead of time, urging everyone to vote Democratic to save Social Security. This pitch became possible when Reagan briefly backed a Senate Republican proposal to trim Social Security. Democrats simply make it too hot for Republicans when they tinker

of the noisy special interests, but they ignore the quiet general public interest.

"The old Washington game has been that every year each department asks for more money—for twice as much money as they really desire—so that once the Office of Management and Budget and Congress have pared the figure down, it will still be a substantial increase over the previous year's budget."

What was my reward for reducing the number of federal employees and benefits to reasonable levels saving the American people billions of dollars, and carrying out the president's mandate? I was fired. Actually, I was not reappointed. My reconfirmation was not approved in the Senate due to what U.S. Chamber of Commerce President Richard Leshner called Washington's "trench warfare." The process was repeated with presidential appointees like William Bradford Reynolds in the Justice Department, Edward Curran with the Peace Corps, and many others. The message clearly broadcast by Congress was "Don't make waves. Don't promote change" in the bureaucracy.

Ronald Reagan was elected, however, on a platform which promised government reform in spite of the barriers this kind of sentiment poses. And he has been remarkably successful, even many of his opponents are willing to admit. The 1981 reduction in the budget was the first real reduction in government spending since the years prior to World War II. Controllable non-defense expenditures were reduced by 10 percent. In 1982, the growth of entitlements was cut in half, and as I mentioned earlier, we made substantial reductions in the federal work force. We bureaucrats were asked to do more with less. And the results were remarkable. Over 30 government departments were cut by six percent or more. Fifteen departments were down by 10 percent or more. The Departments of Education and Housing and Urban Development, the Office of Personnel Management, the General Services Administration, and others went down by 15 percent or more.

I witnessed the results of the reductions best in my own department, the Office of Personnel Management. We eliminated one out of every four positions on our staff and we saw an immediate rise in our productivity. Before the reduction, our people were literally bumping into each other, creating makework and inefficiency. By every index, our effectiveness increased. We also tried to make the federal establishment realize that less *is* more, and that good government need not depend upon ever-increasing budgets and personnel. We can take substantial cuts and offer better service.

The old Washington game has been that every year

with Social Security, causing them too much political pain. When he was running in 1984, Reagan went so far as to overcompensate for this, promising Social Security beneficiaries a cost-of-living boost even if the cost of living hadn't risen enough to guarantee it.

One way to deal with the deficit is to raise taxes. Reagan doesn't agree with this method, and he is correct. But his Democratic opponents have not jumped on the tax hike bandwagon. Why? Because of their mutual fear of political pain. They are leery of the president's tax reform plan, but they are leerier still of opposing it. But when fear of Reagan on this issue ebbed, support for real tax reform slackened perceptibly. Special interest groups exerted their customary influence once again.

Rule Two: Even the mightiest won't tell the truth, or what they believe to be the truth. Reagan's no-nonsense approach to the Soviets has been unequivocal for 20 years. We know he carried this view into the White House since we heard him voice it in a number of speeches and press conferences. Alas, he learned there was a price to pay for this. Reporters attacked him for the "evil empire" comment. Many of them seemed to feel that such a critique of the Soviets is not only diplomatically clumsy but factually inaccurate. Moreover, the public tires of tough, honest talk about the Soviets. So, rather than lead, Reagan succumbed.

What made the softening of Reagan's approach to the Soviets all the easier is that so few have complained. The press likes it, and so do the soft-liners. And the hard-liners are largely unwilling to go after their leader, Reagan. The result: no political pain. Finally, the tranquil mood helped the president win re-election. The most egregious instance of Reagan's lull-the-public stance came in March 1985 after Major Arthur Nicholson was shot by a Soviet guard during an inspection tour in East Germany and left to bleed to death. Reagan expressed practically no outrage at all, lest he upset his embryonic plans for a summit with Soviet dictator Mikhail Gorbachev. Nicholson's death, he said, was "tragic." But it would not bar him from holding a summit. On the contrary, "No, it would make me more anxious to go to one," the president declared, as if the shooting of Nicholson were something that was caused by a failure of communication, not an act that revealed the essence of the Soviet system.

"It's the organized few who can inflict the political pain."

Another example of Reagan's unwillingness to voice a truth that might bring on political pain is the matter of welfare dependency. There is fresh, new evidence that welfare programs do not help the poor. Rather, they have the effect of keeping the poor tied to poverty programs and locked into poverty itself. Charles Murray's book

each department asks for more money—for twice as much money as they really desire—so that once the Office of Management and Budget and Congress have pared the figure down, it will still be a substantial increase over the previous year's budget.

Most of the reforms I encouraged at OPM were based on ordinary common sense. Anyone could have instituted them, and they all ran contrary to the budget-inflating process I have just outlined. For example, during my tenure we continued the practice of offering to all federal agencies an early retirement program during layoffs; elderly workers were permitted to retire, allowing younger staffers to stay on. The only trouble was that the layoffs often did not occur. I simply made it mandatory that the agencies prove that they were indeed going to lay off employees before they allowed early retirement. This decision saved \$160 million. (If you calculate how those savings add up over the five-year budget cycle, you arrive at a figure of \$964 million. You are almost talking about real money there, even in Washington.)

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A second example involves the disability provision of the retirement plan. If a worker became disabled, he was eligible to retire. But one-third of our retirees were listed as disabled! We're a predominantly white collar business; here are a couple of people who jump out of airplanes at 500 feet, but most of them sit behind desks shuffling paper. Any private sector businessman can testify that a mere 5 percent disability rate is too high. And in the federal government, 32 percent of its work force was retiring on disability. I discovered that our definition of disability dated back to the 1940s and it implied that you had to be healthier when you went back to work than you were before you were disabled. And, furthermore, we did not require *proof* of disability! I altered the definition of disability to conform to the standards set by the Rehabilitation Act (a definition, I might add, which was far too liberal according to a number of conservatives) and I stated that we would require proof. Disability retirements fell by 58 percent. At least 6 out of 10 of the earlier claims, we may assume, were without merit. This reform has already saved \$1.2 billion. Over the budget cycle, that adds up to \$4.3 billion.

One of the crises I walked into at OPM in my first two months as director occurred when one of my staff, the equivalent of a vice president in a private business, approached me one day and said that we were \$440 billion short in our health insurance fund. I said, "That's terri-

Losing Ground, argues the point forcefully. Murray takes what can be described as the Reagan position, namely that welfare programs create permanent dependents. Naturally, the press looks askance at this. It treats the loss of any amount of government aid as a setback to the person who loses it. Then a recession hit the country in 1981-82, and charges of abandoning civil rights enforcement were made against the Reagan administration. Blacks began voting in great numbers—and for Democratic candidates as usual. In other words, political pain was being inflicted on the president, pain that would only be worse if he stuck by his welfare dependency guns. He didn't. He adopted the liberal yardstick that the more you spend on minorities and the disadvantaged, the more you put the federal government to work for them, the better off they are. In the first presidential debate in October 1984 Reagan said:

We are spending now 37 percent more on food for the hungry in all various types of programs than was spent in 1980. We're spending a third more on all the programs of human service. We have more people receiving food stamps than were ever receiving them before—2,300,000 more are receiving them even though we took 850,000 off the food stamp rolls . . . there are a host of other figures that reveal that the grant programs are greater than they ever have been, taking care of more people than they ever have . . .

Given what Reagan believes in his heart about welfare, there is a striking absence of leadership from him when he talks that way.

Rule Three: The organized few prevail over the disorganized many. This may be belaboring the obvious to posit this as a rule—it happens so often. It is virtually the story of Washington in the last half-century. Why does it happen so persistently? Because it's the organized few who can inflict the political pain. They can create a political firestorm if their demands are not met. They can fund, lavishly, the campaign of the opponent of anybody in Congress who won't go along with them. Indeed, they can sabotage a politician's or an administration's agenda. It happens all the time.

The president, following the advice of then-budget director David Stockman, has bravely sought to kill dozens of federal programs in recent years. But he managed to eliminate only two: revenue sharing, which won't vanish for another year, and the CETA jobs program, which was the most corruption-ridden, discredited program to come out of the Carter administration. Fine. But think about what Reagan didn't succeed in killing: Urban Development Action (UDAG) Grants, for example. They have been called a slush fund for mayors by Democratic Governor Bruce Babbitt of Arizona, and he's right. In Baltimore, a UDAG grant financed a Hyatt Hotel, hardly a boon to the poor. And what of the Small Business Administration? Has the SBA ever created a successful small business? I doubt it, but this agency spends \$1 billion a year. The federal subsidy for Amtrak

ble! We're almost a half billion dollars short."

He said, "No problem. Don't worry about it. Nobody's ever heard of the program."

Now, I think you'll admit that he was right. You haven't heard of the Federal Employees Health Benefits Program. Yet it costs six million of your dollars annually and it is the fifteenth-largest entitlement program in the whole government.

"What about the employees?" I said. "Aren't they going to be upset?" The employees are responsible for 40 percent of the funds for the program, so their premiums had to increase by 20-25 percent to solve the financial crisis.

He said, "No. In fact, if you try to do anything about it, they'll think you are trying to take something away from them. They *expect* premiums to go up." He explained that the previous year had been an election year and that OPM had purposely kept premium prices low in order to gain votes. Federal employees consequently expected premiums to rise after an election.

"Isn't Congress going to get upset?" I continued.

"Don't worry about the Congressmen," he said, "They're covered by the health benefits program."

In a nutshell then, this is what Washington is all about. So many interest groups which have reasons to spend money are intertwined. There is no one there to represent the general interest unless a political leader takes on the task—and if his job, like mine, is dependent on congressional favor, then he may not survive long in Washington.

"Good government need not depend upon ever-increasing budgets and personnel. We can take substantial cuts and offer better service."

As director of OPM, I helped to save more than \$20 billion—more than the fiscal year 1985 budgets of the Departments of Housing and Urban Development and Commerce combined—and promoted new standards of efficiency. Yet, in the wacky world of Washington, the reward is losing your job.

Washington is a difficult place to exhibit leadership. But we need this type of tough leadership over the bureaucracy if citizens are to keep their government under control. Otherwise Americans will lose their freedoms. Tough leadership is that important.

is mainly to guarantee the upper middle class trains in the Boston to Washington corridor. This is class legislation of the worst sort. And the Economic Development Administration? Democratic Senator William Proxmire of Wisconsin, a liberal, says EDA is to waste and abuse what the North Pole is to ice and snow. EDA paid for a limestone replica of the Great Wall of China to be built in Indiana. All these programs were not killed for one reason: Each has a constituency. And these organized few protect their programs and force politicians, not Reagan in this case but members of Congress, to accede or face political pain.

Rule Four: Some issues are too hot to handle, even if the public is on your side. The case of racial quotas comes to mind immediately. Five years into the Reagan administration, officials are just getting around to attacking the requirement that federal contractors adopt quotas in hiring minorities and women. This requirement goes back to a presidential order in 1965, followed by Labor Department regulations largely drafted during the Nixon administration. A vast majority of the nation is against quotas, yet Attorney General William French Smith was unwilling to go after the quotas requirement for federal contractors. Now, Edwin Meese is willing, but he is being blocked by White House and Labor officials. A White House aide leaked word of what Meese was up to. "This will hurt tax reform, anger blacks, endanger deficit reduction," etc., the anti-Meese forces in the administration exclaimed. And the revocation of the quotas has been delayed, probably weakened and perhaps even put off altogether—all in the most conservative administration of the century, one that came to office on the promise of wiping out quotas. The political pain of doing so, the administration now feels, is simply too great.

Small wonder, then, that our political leaders often look like pygmies compared to giants of earlier generations. But it's not that there aren't Tafts and Douglasses in politics anymore. They're there. They're just afraid to stand up to the forces that dominate the political system in Washington. It might be painful.



Hillsdale College is marked by its strong independence and its emphasis on academic excellence. It holds that the traditional values of Western civilization, especially including a free society of responsible individuals, are worthy of defense. In maintaining these values, the College has remained independent throughout its 142 years, accepting no government funding for its operations.

